

ENTRUSTED WITH THEM OR TO WHOM THEY ARE CONSIGNED OR WHO IS ENTRUSTED WITH AND IN POSSESSION OF A POSSESSORY DOCUMENT, HE ACQUIRES ONLY THE RIGHT, TITLE, OR INTEREST AS WAS POSSESSED AND MIGHT HAVE BEEN ENFORCED BY THE PERSON FROM WHOM HE RECEIVED THE GOODS OR POSSESSORY DOCUMENT.

(B) NOTICE OF CONSIGNEE STATUS.

EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, IF A THIRD PERSON KNOWS THAT HE IS DEALING WITH A CONSIGNEE, HE MAY TAKE GOODS OR A POSSESSORY DOCUMENT IN DEPOSIT OR PLEDGE AS SECURITY FOR A PREEXISTING DEBT OR DEMAND, BUT HE ACQUIRES ONLY THE RIGHT OR INTEREST IN THE GOODS OR POSSESSORY DOCUMENT THAT WAS POSSESSED BY THE CONSIGNEE AT THE TIME OF THE DEPOSIT OR PLEDGE.

(C) EXCEPTION.

IF A THIRD PERSON HAS NOTICE THAT THE CONSIGNEE IS NOT AUTHORIZED TO PLEDGE, DEPOSIT, OR PART WITH POSSESSION OF THE GOODS OR POSSESSORY DOCUMENT, HE ACQUIRES NO RIGHT, TITLE, OR INTEREST IN THE GOODS.

REVISOR'S NOTE: This section is new language derived without substantive change from Art. 2, §§ 5 and 6.

11-806. DEBT OF CONSIGNEE DUE PURCHASER OR PLEDGEE.

UNLESS A THIRD PERSON CONTRACTS FOR OR RECEIVES GOODS ON DEPOSIT OR PLEDGE WITHOUT KNOWLEDGE THAT A CONSIGNEE IS NOT AUTHORIZED TO SELL, DEPOSIT, OR PLEDGE THE GOODS, A CLAIM OR DEMAND OF SETOFF OF A DEBT DUE BY THE CONSIGNEE IS NOT ALLOWED AGAINST HIS PRINCIPAL IN FAVOR OF THE THIRD PERSON.

REVISOR'S NOTE: This section is new language derived without substantive change from Art. 2, §8.

11-807. LEGAL AND EQUITABLE RIGHTS OF OWNER AGAINST CONSIGNEE NOT AFFECTED.

NOTHING IN THIS SUBTITLE DEPRIVES AN OWNER OF GOODS OF ANY REMEDY WHICH HE MIGHT HAVE AGAINST A CONSIGNEE ON ANY MATTER OR CONTRACT BETWEEN THEM OR FOR THE VIOLATION OF ANY ENGAGEMENT, DUTY, OR DEBT FOR WHICH THE CONSIGNEE IS LIABLE, SUBJECT, HOWEVER, TO THE RIGHT OF THE CONSIGNEE TO HAVE THE BENEFIT OF ANY PAYMENT OF ANY DEBT OR DAMAGES PAID ON THE CONTRACT BY A THIRD PERSON.

REVISOR'S NOTE: This section is new language derived without substantive change from Art. 2, §16.